

State of Nevada
Gaming Control Board

CPA MICS Compliance Checklist

Auditor's Name and Date

TABLE GAMES
Soft Drop and Count Observation

Licensee _____ Review Period _____

NGC Regulation 6.090(9) requires the CPA to use "criteria established by the chairman" in determining whether a Group I licensee is in compliance with the Minimum Internal Control Standards (MICS). This checklist is to be used by the CPA in determining whether the licensee's table games operation is in compliance with the Table Games MICS that address the table games drop and count.

Date of Inquiry	Person Interviewed	Position

Date of Drop Observation: _____ **Date of Count Observation:** _____

Checklist Completion Notes:

- 1) Unless otherwise instructed, examine a completed document for compliance for those questions referring to records/documentation as indicated and recalculate where appropriate. Indicate (by tickmark) whether the procedures were confirmed via examination/review of documentation, through inquiry of licensee personnel or via observation of procedures. Tickmarks used are to be defined at the bottom of each page.
- 2) All "no" answers require referencing and/or comment, and should be cited as regulation violations, unless the Board Chairman has granted a MICS variation or the question requires a "no" answer for acceptability.
- 3) "(#)" refers to the Minimum Internal Control Standards for Table Games, Version 5.

Minimum Internal Control Standard Notes:

Note 1: Throughout the table games section all references to dealers include craps boxmen.

Note 2: For any Board-authorized computer applications, alternate documentation and/or procedures which provide at least the level of control described by these standards will be acceptable.

Note 3: The term "shift" as used in the standards refers to an 8-hour interval unless otherwise approved by the Board.

Questions	Yes	No	N/A	Comments, W/P Reference
1. Has the licensee's written system of internal control for the table games drop and count been read prior to the completion of this checklist to obtain an understanding of the licensee's table games drop and count procedures?				
<u>Drop Standards</u>				
2. At the close of each shift: Verify by observation.				

Verified per representation.

Verified per observation/examination.

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a) Is each table's chip, token, coin, marker and outstanding rim credit inventory counted and recorded on a table inventory form? (71a) or				
b) If the table banks are maintained on an imprest basis, is a final fill or credit made to bring the bank back to par? (71b)				
3. If final fills are not made, are the beginning and ending inventories recorded on the master game sheet for shift win calculation purposes? (72) Verify by observation.				
4. Is the accuracy of table inventory forms prepared at shift end, if applicable, verified by either two pit supervisors or one pit supervisor and one supervisor from another gaming department? (73) State who performs inventory procedures.				
5. If inventory forms are placed in the table game drop box, is such action performed by someone other than a pit supervisor? (74) Verify by observation. State who performs for open and closed tables.				
6. For computerized systems, is the individual who enters the table inventory amount into the system independent of the table inventory count? (75) State who performs this procedure.				
7. For computerized systems, do the individuals who perform the table inventory count not have access to add, change, or delete table inventory amounts in the system? (76) Verify by examination.				
8. Is the setting out of empty table game drop boxes and the drop a continuous process? (77) Verify by observation. Note: The drop begins with the removal of the first table game drop box. (77)				
9. Are procedures implemented to ensure that unauthorized access to the empty table game drop boxes does not occur from the time the boxes leave the storage racks until they are placed on the tables? (78) Verify by observation. State the procedure(s).				
10. At the end of each shift, are all locked table game drop boxes removed from the tables by an individual independent of the pit shift being dropped? (79) Verify by observation. State who performs this procedure.				

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11. Is someone independent of the pit department required to observe each time table game drop boxes are removed from or placed in the storage racks? (80) Verify by observation. State who performs this procedure.				
12. If table game drop boxes are not placed on all tables, does the pit department document which tables were open during the shift? (81) Verify by examination.				
13. Upon removal from the tables, are the table game drop boxes transported directly to the count room or other secure place by a minimum of two individuals, at least one of whom is independent of the pit shift being dropped, and locked in a secure manner until the count takes place? (82) State who performs this procedure.				
14. If more than one trip is required to remove the table game drop boxes from the tables scheduled to be dropped, are the boxes either locked in the count room or secured in another equivalent manner? (83)				
<u>Soft Count Standards</u>				
Note: The count begins with the opening of the first table game drop box and ends when a member of the cage/vault department signs the master games summary and assumes accountability of the proceeds. (Note before 84)				
Perform a currency counter test, if applicable, using previously counted currency for each denomination counted by the currency counter. The test can be conducted at the conclusion of the count, but before the final totals are generated. Indicate the results of the test performed.				
15. Is the table games count performed in the soft count room or in an equivalently secure area with comparable controls? (84) Verify by observation.				
16. Are all coins, tokens, chips and/or cash inventory stored in the count room secured to prevent unauthorized access at all times? (85)				
17. Is access to the count room during the count restricted to members of the drop and count teams, authorized observers, supervisors for resolution of problems, authorized maintenance personnel and personnel performing currency transfers? (85) Verify by observation.				

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Questions	Yes	No	N/A	Comments, W/P Reference
18. Is access to stored table game drop boxes, full or empty, restricted to authorized members of the drop and count teams? (86)				
19. If counts from various revenue centers occur simultaneously in the count room with the table games count, are procedures in effect that prevents the commingling of funds from different revenue centers? (87) Verify by observation. Describe such procedures.				
20. Is the soft count performed by a minimum of three employees until the proceeds have been accepted in the cage/vault accountability? (88) Verify by observation.				
21. Are count teams consisting of only three members rotated on a routine basis? (89) Note: The rotation is such that the count team is not consistently the same individuals more than four days per week. (89)				
22. Is the count team independent of the pit department and the subsequent accountability of the soft drop proceeds? (90) Verify by observation. Note: The use of a dealer or a cage cashier is acceptable. An accounting representative may be used if there is an independent audit of all soft count documentation. A cage cashier may be used if this person is not allowed to perform the recording function. (90)				
23. If a currency counter is used, do at least two count team members verify the accuracy of the currency counter immediately prior to the count with previously counted currency for each denomination actually counted by the currency counter to ensure that counter is functioning properly and are the test results documented and maintained? (91) Verify by examination. Note: If the same count team members complete a count for one revenue center and then immediately complete a count for a second revenue center, the currency counter test would only need to be completed at the beginning of the first count. (91 Note 2)				

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24. If the currency counter test mentioned in the previous question is performed with currency from the first drop box, is the currency used to perform the test manually counted and verified prior to inserting it into the currency counter? (91, Note 1)				
25. If a currency counter interface is used, is it adequately restricted so as to prevent unauthorized access (passwords, keys, etc.)? (92) Verify by examination.				
26. Are unannounced currency counter and currency counter interface (if applicable) tests of all denominations of currency counted by the currency counter performed by someone who is independent of the cage, vault and pit departments and the count team on at least a quarterly basis with the test results being documented and maintained? (93) Review the last test(s) results. Indicate the date of the last test, who performed the test(s) and the results of the test(s). Note: This test is separate from the test required to be performed by internal audit. (93)				
27. Are the table game drop boxes individually emptied and counted in such a manner as to prevent the commingling of contents between boxes before the box contents have been counted and recorded? (94) Verify by observation.				
28. Are the contents of each box (cash, chips, vouchers, traveler's checks, foreign chips, coupons or other promotional items included in reported gross revenue, etc.) recorded in ink or other permanent form of recordation on a master game summary? (95) Verify by observation.				
29. Are coupons or other promotional items that are not included in reported gross revenue recorded in the same manner as the items mentioned in the previous question or are they recorded on a supplemental document either by the count team or accounting personnel? (95) Verify by observation.				
30. Are all coupons cancelled daily by either the count team or accounting personnel to prevent improper recirculation? (95) Verify by examination.				
31. If a currency counter interface is used, are the currency drop figures transferred via direct line or computer storage media? (95) Verify by observation.				

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32. If currency counters are utilized and the count room table is used only to empty boxes and sort/stack contents, is a count team member other than the person(s) operating the currency counter able to witness the loading and unloading of all currency, including rejected currency, at the currency counter? (96) Verify by observation.				
33. If a count team member does not monitor the currency counter operator(s) as described in the preceding question, does an individual independent of the count process monitor the operator(s) of the currency counter for a minimum of one hour during the count process from recorded or live surveillance at least monthly with the date, time and results of the independent observation being documented? (96) Verify by examination.				
34. When the currency counter rejects currency but does not record the amount of rejected currency, are procedures in effect to record the rejected currency amount by table and to ensure that two counts of the rejected currency (by table and in total) are performed to verify that the correct amount of rejected currency is recorded on the master games summary? (97) Verify by observation.				
35. Are the empty table game drop boxes shown to another member of the count team, to another person who is observing the count, or to recorded or live surveillance provided the count is monitored in its entirety by someone independent of the count? (98) Verify by observation. State the method used.				
36. Are the original and first copies of fill/credit slips matched or otherwise reconciled by the count team members to verify that the total dollar amounts for the shift are identical? (99) Verify by observation.				
37. Are orders for fills/credits (if applicable) matched to the fill/credit slips? (100) Verify by observation. Note: This standard does not apply to orders for credit slips when the licensee utilizes an approved computerized fill/credit system and when the order for credit slip does not accompany the chips, tokens, and monetary equivalents being transported from the pit to the cage. (100)				

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38. Are fills and credits traced to or recorded on the master games summary and examined for correctness? (101) Verify by observation. State whether they are traced to or recorded.				
39. Are pit marker issue and payment slips removed from the table game drop box either: Verify by observation.				
a) Traced to or recorded on the master game summary by the count team members? (102a) State whether traced or recorded; or				
b) Totaled by shift and traced to the totals documented by the computerized system with accounting personnel then verifying that the issue/payment slips for each table are accurate? (102b)				
40. Are foreign currency exchange forms, if applicable, removed from the table game drop boxes reviewed for the proper daily exchange rate and is the conversion amount recomputed by the count team members or accounting/audit employees? (103) State whether the procedure is performed by the count team or by accounting/audit personnel.				
41. Are the opening/closing table and marker inventory forms (if applicable) either: Verify by observation.				
a) Examined and traced to or recorded on the master games summary? (104a) State whether traced or recorded; or				
b) If a computerized system is used, do accounting personnel trace the opening/closing table and marker inventory forms (if applicable) to the master games summary and are discrepancies investigated with the findings being documented and maintained? (104b)				
42. Are corrections on any count documentation or transfer forms made by crossing out the error, entering the correct figure, and then obtaining the initials of at least two count team members who verified the change? (105) Verify by observation.				
43. If a currency counter interface is used, are corrections to count data made using one of the following methods: Verify by observation.				

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a) Are the errors crossed out on the document, is the correct figure entered, are the initials of at least two count members who verified the change obtained, and then does an employee independent of the pit department and count team enter the correct figure into the computer system prior to the generation of the related master games summary? (105a) or				
b) During the count process, is the error corrected in the computer system, are the passwords of at least two count team members entered, and if this procedure is utilized is an exception report generated by the computer system identifying the table number, the error, the correction and the count team members attesting to the propriety of the correction? (105b)				
44. Are transfers out of the count room during the table games soft count process either strictly prohibited, or if transfers are permitted, is each transfer recorded on a separate multi-part form used solely for currency count transfers? (106) Verify by observation. State whether they are prohibited or allowed with a multi-part transfer form.				
45. If currency transfers are allowed, are they counted by two count team members and are the transfer forms signed for by the same two count team members and by someone independent of the count team and does one part of the transfer form remain in the count room until all the currency drop has been accepted into cage/vault accountability and does the other part of the transfer form accompany the funds being transferred? (107) Verify by observation.				
46. At the conclusion of the count, is the currency drop amount recorded on the master games summary reconciled to the currency drop in the count room and the dollar amount of any currency drop transfers, if applicable, by a count team member who does not function as the sole recorder with any variances being reconciled and documented? (108) Verify by observation.				
47. Do all members of the count team attest by signature to the accuracy of the currency drop count? (109) Verify by observation.				

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Note: Three verifying signatures on the master games summary are adequate if all additional count team members sign a supplemental document evidencing their involvement in the count process. (109)				
48. Does an employee of the cage/vault department (who is independent of the count team) perform an independent count of the currency drop proceeds that are being turned over to the cage/vault department and reconcile it to the currency drop amount on the master games summary less any transfers, if applicable, and are any variances reconciled and documented? (110) Verify by observation.				
49. Does the cage/vault employee mentioned above sign the master games summary, or other reconciling document, and assume accountability of the currency drop proceeds? (111) Verify by observation.				
50. At the conclusion of the count, is the master games summary and all supporting documents, including currency drop transfer forms, and any applicable computer storage media promptly delivered to the accounting department by a count team member or someone other than a cage/vault employee or are these documents adequately secured (e.g., locked container to which only accounting personnel can gain access) until retrieved by the accounting department? (112) State the procedure.				
<u>Written System of Internal Control</u>				
51. Has the licensee's written system of internal control for the table games drop and count been re-read prior to responding to the following question?				
52. Does the written system of internal control for the table games drop and count reflect the actual control procedures in effect for compliance with the MICS, variations from the minimum internal control standards approved pursuant to Regulation 6.090(8), and Regulation 14 associated equipment approvals? [Regulation 6.090(13)]				
53. Obtain a copy of the master games summary totals for inclusion in the workpapers.				

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Questions	Yes	No	N/A	Comments, W/P Reference
54. Complete the CPA MICS Compliance Checklist for Table Games Key Controls.				

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